

INSURANCE

Prepared bi-annually by The North Carolina Department of Insurance



Jim Long, Commissioner

**This edition is dedicated
to Tom Jacks.**

New Year Brings Changes to Investigations Division

2002 Sees Record Accomplishments, New Responsibilities

Record-setting accomplishments and new responsibilities began 2002 for the country's oldest insurance fraud division located right here in North Carolina. Started in 1945, the Investigations Division of the North Carolina Department of Insurance continues to handle one of the Department's top priorities — the fight against fraud.

This fight escalated into the most successful and significant year ever for the Division in 2001, resulting in the successful resolution of 73 insurance fraud investigations, 27 of which involved criminal convictions and 46 of which involved monetary recoveries. In all, almost \$26 million was recovered in the form of fines, restitution and savings to both the industry and to our North Carolina citizens. This represents an \$8 million increase from the prior year and illustrates the commitment the Division has made to investigate priority, high-impact insurance fraud cases in North Carolina and across the

nation. These investigations resulted in state and federal convictions of industry and non-industry individuals for violations covering the gamut of insurance fraud including embezzlement, forgery, false pretense, mail fraud, fraud by wire and conspiracy. Several of those convicted received significant sentences, including active incarceration.

This commitment to fight insurance fraud is underscored by a new addition to the Division's team of sworn law enforcement officers — nine new investigators, formerly of the Special Services Division (see story, back cover), joined the group this year. These investigators bring with them a wide variety of expertise and experience and will be instrumental in improving the Division's anti-fraud efforts for years to come.

The merger of divisions also brings the added responsibility of investigating violations of criminal law concerning the bail bonding industry, collection agencies, motor clubs and premium finance companies, all formerly covered in the Special Services Division. While regulation of these entities are the purview of the Department of Insurance's Agent Services Division, the Investigations Division is now actively engaged in several criminal investigations concerning professional and surety bail bondsmen, unlicensed collection agencies and premium finance contracts.

The Department, as always, encourages all North Carolinians to remain alert to the possibility of fraud and to report suspected insurance fraud to the N.C. Department of Insurance, Investigations Division, 430 N. Salisbury Street, Raleigh, NC 27603. The Investigations Division may also be contacted by phone at (919) 733-7434 or by accessing the Department's Web site, www.ncdoi.com.

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Department Mourns Loss of Deputy and Friend; Consumers Lose Advocate

Maston “Tom” Jacks passed away peacefully in his sleep on Jan. 9, leaving co-workers to deal with this sudden and unexpected loss. Jacks joined the Department in May 1995 when he was hired as deputy commissioner of the Life and Health Division.

“Tom worked diligently at insurance reform in North Carolina,” said Commissioner Jim Long. “His experience and background on many fronts of the industry were an invaluable asset to this Department.”

His attentions constantly focused on availability and affordability issues surrounding insurance on both a state and national level. He was particularly interested in assessing HIPAA and how it effected insurance, critically viewing the Act’s shortcomings while applauding its successes.

Internally at the Department, he was instrumental in automating functions within the Life and Health Division. He was always looking for ways to simplify functions for companies and encouraged his staff to utilize technology in their day-to-day business.

“His strong point — what made him a warm, caring manager — was his

human relations skills,” said Senior Deputy Commissioner Barbara Morales Burke. “Tom was a very good person to deal with — his manner and sense of humor aided him in all that he did. His



Tom Jacks

biggest concern was always for the most vulnerable consumer.”

It was that guardian attitude toward citizens that helped Jacks in his work with the NAIC’s Viatical Settlement Working Group. He worked diligently with the group to create model language

expanding protections to consumers, insurance companies and investors in this new area of insurance. The language Jacks helped create molded legislation passed in North Carolina during the 2001 Legislative session.

Before joining the Department, Jacks worked in the Secretary’s Office of the North Carolina Planning Commission with the Department of Health and Human Services. Prior to coming to North Carolina in 1994, he served as vice president for legal and external affairs for INOVA Health System in Springfield, Va. He also served as deputy secretary for health and human resources, deputy attorney general and assistant attorney general for the Commonwealth of Virginia and as deputy city attorney for the City of Alexandria, Va.

Jacks received a law degree at the College of William and Mary, a master’s degree in Urban and Regional Planning from the University of Northern Colorado and a bachelor’s degree in City Planning from the University of Virginia.

“We are all saddened by the loss of such a good employee, manager and friend,” Commissioner Long said. “He will be missed.”

North Carolina Department of Insurance

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2001 Consumer Services Numbers Reflect Successful Complaint Resolution

Today, many television stations provide a "troubleshooter" service for their viewers. They usually air a nightly segment explaining how a viewer purchased and paid for a service or product, but for whatever reason, the service or product did not perform as promised, or was never received in the first place. Many times, the station's troubleshooter is successful in getting the provider to fulfill its obligation or is able to get a refund for the viewer.

North Carolina citizens have a similar service available to them in the North Carolina Department of Insurance. The Consumer Services Division of the Department has been troubleshooting insurance problems for North Carolina consumers for almost 30 years.

Although a case is not aired daily on the 6 o'clock news, the Consumer Services Division is routinely busy helping consumers who bring their insurance questions and concerns to us by phone, email, in writing or in person.

During 2001, the Division handled almost 100,100 telephone calls, which make up the majority of the contacts Division staff has with consumers. However, in cases where contact with the insurance company is necessary, the

consumer is asked to submit the complaint in writing.

The Division processed nearly 10,300 written complaints during last year. While the specialists were not able to satisfy every consumer complaint,

involvement were identified in hard dollars.

The Consumer Services Division may not get the media coverage for helping North Carolina citizens as the television reporters do; however,

The following identifies the assistance by lines of coverage:

Automobile	\$1,283,779.50
Homeowners	501,318.52
Liability	126,163.59
Fire, Allied Lines and CMP	297,738.99
Miscellaneous Lines	372,889.89
Life and Annuity	3,999,968.78
Accident and Health	2,300,242.21
Total	\$8,882,101.48

many insurance problems were resolved after the Consumer Services Division got involved. In fact, our involvement satisfied North Carolinians to the tune of just under \$9 million.

Many North Carolina consumers were assisted with such issues as payment of claims, return premium and reinstated coverage. In many cases the assistance was estimated, but in the majority of cases, the actual amounts resulting from the Division's

consumers of this state can rest easy knowing that they have a friend at the North Carolina Department of Insurance.

Consumers with insurance-related problems or questions can reach the Consumer Services Division by calling 1-800-546-5664 in North Carolina, (919) 733-2032 locally or out of state, or by mail at P.O. Box 26387, Raleigh, NC 27611. Consumers may also visit our Web site at www.ncdoi.com.

New Companies

Farmers New World Life Insurance Company	LIFE	08-20-01
Northeast Investors Title Insurance Company	Title	08-27-01
Alfa Mutual Insurance Company	P&C	08-31-01
Alfa Life Insurance Corporation	LIFE	09-12-01
Ace Guaranty RE, Inc.	P&C	09-26-01
Camico Mutual Insurance Company	P&C	10-01-01
Safety First Insurance Company	P&C	10-09-01
Bar Plan Mutual Insurance Company, The	P&C	12-04-01
Underwriter For The Professions Insurance	P&C	12-10-01
GMAC Insurance Company Online, Inc.	P&C	12-31-01
GMAC Direce Insurance Company	P&C	12-31-01
Mid-Continent Casualty Company	P&C	12-31-01

Evolution of New Consumer Program Begins

Director Hired to Head Health Care External Re-

view Program

Desks are moving and chairs are being gathered at the Department of Insurance's main offices in Raleigh, all in anticipation of the arrival of the Health Care External Review Program. This consumer protection unit will provide an additional outlet for citizens who have exhausted their health insurance company's internal appeals and grievance process.

Though the law governing this new process does not go into effect until July 1, one corner of the Department is already bustling with activity as new staff members settle into place and prepare for action this summer. Heading this new program is Susan D. Nestor, a new face to the Department of Insurance but not the North Carolina health industry. Nestor has more than a decade of experience in the insurance industry as well as at the executive level with health care industries across the state.

Nestor comes to DOI from the Western North Carolina Health Alliance (WNCHA) at Catawba

Memorial Hospital, where she oversaw the daily operations of this physician-hospital organization. As executive director of WNCHA, Nestor dealt with contract negotiations with managed care organizations, insurance companies and self-funded employers. She also worked on physician credentialing, provider relations and medical management, all of which should prepare her well for organizing the Health Care External Review Program.



Susan D. Nestor

Two insurance companies also had the pleasure of Nestor's employment; she served briefly with Blue Cross Blue Shield in the Hickory area and worked with Kaiser Permanente for five years in Quality Resource Management.

"I expect that my unique experience seeing both sides of the fence, so to speak, will serve me well in this new position. There is a lot of work to be done to get this program on the right track," Nestor said. "Part of my work here will be constructing the program in preparation for the new law which goes into effect July 1. We want to make sure we serve the public in the best way possible."

Nestor has a master's degree in nursing from the University of North Carolina at Greensboro. She lives in Raleigh with her husband, Brian, daughter Lisa and her other "child," a miniature schnauzer named Rory.

New Duties for Department Professionals

Responsibilities Shift as Two DOI Veterans Enter New Positions

Two Department divisions are welcoming new faces to their staffs, as responsibilities are shuffled to fill vacancies. Louis Belo, formerly of the Market Examinations Division, was recently appointed deputy commissioner of the Life and Health Division.



Louis Belo

Belo worked in the same capacity with Market Examinations for five years before making the switch. He also served as assistant deputy commissioner of the Managed Care

and Health Benefits Division, after a tenure as an examiner-in-charge and analyst. His nearly 10-year history with the Department of Insurance followed four years in the insurance industry with Durham Life Insurance Company. Belo earned a Bachelor's degree in business administration from the University of North Carolina at Wilmington.

Moving into Belo's former position as deputy commissioner of the Market Examinations Division is a five-year veteran, Ernest Nickerson. Employed as an examiner in 1997, Nickerson quickly moved up to examiner-

in-charge the next year. He holds a Bachelor's degree in finance with a concentration in risk management and insurance from the University of North Carolina at Greensboro, as well as a minor in economics. Nickerson also carries four insurance industry designations — Fellow Life Management Institute, Associate Customer Service, Associate Insurance Regulatory Compliance and Associate Risk Management.



Ernest Nickerson

The Department looks forward to enjoying the leadership of these professionals as they fulfill their duties in two of the Department's busiest divisions.

NIPR Goals Met, Electronic Non-Resident Licensing in Place

The North Carolina Department of Insurance met yet another benchmark of the Gramm-Leach-Bliley expectations last year. The National Insurance Producer Registry (NIPR), a non-profit affiliate of the National Association of Insurance Commissioners was established in October 1996. Its purpose is to develop and operate a national repository for producer license information (PDB) and establish a network to facilitate the electronic exchange of producer information (PIN). The Department's Agent Services Division met both of these requirements in 2001 (see Fall/Winter '00 edition, page 7).

The third requirement met is the Electronic Non-Resident Licensing initiative, or NRL. This electronic communication network grants producers the capability of quickly and easily obtaining licenses in a nonresident state. The features and benefits of NRL include the ease of electronic submission, prior knowledge of license eligibility, prior knowledge of costs and one transaction payment for multiple licenses. NRL is expected to assist regulators in exceeding Gramm-Leach-Bliley expectations.

North Carolina implemented the electronic nonresident licensing program in January. Currently, North Carolina is one of only six states accepting electronic applications; Colorado, Iowa, Kansas, New York, Ohio and South Dakota also implemented NRL programs. Applicants for licensure through this program must be licensed as resident agents in any state except New Mexico, North Dakota, Kentucky and South Carolina.

The NRL completes three of the initiatives developed by NIPR, all in an effort to complete the NIPR Gateway. This gateway is an electronic means of linking state insurance departments with the organizations they regulate. The goal is to simplify communications and to distribute information electronically, including licensing applications, appointments and terminations. This gateway was designed to improve the effectiveness and efficiency of the state licensing process among all parties through automation, standardization and reciprocity.

For more information regarding the NIPR Gateway or any of these initiatives, visit www.licenseregistry.com.

Unauthorized or ERISA?

Check the Facts

The Department of Insurance is witnessing an emergence of companies marketing 'health care benefits' at very low premiums, even to people with serious pre-existing health conditions. In many instances, these companies are not licensed by DOI. They do not meet the state's financial solvency requirements and provide no financial safety net to their policyholders in case of insolvency. Some are actually fraudulent schemes that collect premiums and close down without paying claims.

Bogus health plans often exploit the confusion caused by the complex federal law entitled the Employee Retirement Income Security Act (ERISA) to escape detection. This is an area where a consumer needs to be especially cautious.

Anyone shopping for health coverage is encouraged to call DOI at (800) 546-5664 and verify the license of a prospective insurer. A list of frequently asked questions about legitimate ERISA plans is available at www.ncdoi.com. **Agents and consumers alike should familiarize themselves with this information to prevent future misunderstandings.**

Common Mistakes when Submitting Electronic CE Rosters

Since the Agent Services Division notified continuing education providers that roster submissions would only be accepted in electronic format, submissions have begun to arrive in the new required format. Agent Services records reflect, however, some common mistakes are preventing the rosters from successfully downloading. Please make note of these mistakes and take steps to prevent them.

- name of attendees does not match DOI records (e.g., Elizabeth submitted as "Beth")
- name of instructor is different than reflected on department records for class offering
- double-spacing between names of attendees
- course name does not match department records
- file is not a text file (no spreadsheets can be accepted)

Agents and adjusters, please remember to record your name as it appears on your license to the continuing education provider. You will not receive credit if your name is submitted on an electronic roster, and it does not match department records. For additional information concerning this process, please visit the industry section of our Web site, www.ncdoi.com.

Terrorism Exclusion Language Available

The events of Sept. 11 left lasting effects that are shaping our country, with the insurance industry being no exception. Companies did not try to evoke exclusions to avoid paying claims from that fateful day, but attention has turned toward future tragedies. Insurance Services Office Inc. (ISO) has worked in conjunction with the National Association of Insurance Commissioners (NAIC) to develop

standard language for terrorism exclusions in commercial lines. With so many companies doing business across state lines, having a uniform model to follow nationwide will help the entire industry. ISO is allowing non-members to use this language to maintain consistency. Companies wishing to use this language may contact N.C. Department of Insurance or go on-line to www.ncdoi.com. Exclusions that are

substantially similar to the ISO language will also be approved by the state. The Department will not approve exclusions for acts of terrorism in personal line contracts unless an insurer can unequivocally demonstrate that it will become insolvent without the exclusion. This reasoning parallels NAIC's stance that terrorism exclusions are not necessary on personal lines.

NEW ON THE WEB

Industry Filings

The Department of Insurance's Web site has a new addition that allows visitors to view the insurance industry's company and rate filings. The Insurance Company Filing Search accesses filings as well as correspondence between NCDOI and companies relating to filings. Filings can be pulled up several ways including by company name or line of business. Types of filings under this new search vary, ranging from Form Revision Reviews, Loss Costs by company or bureau, rate revisions and renewal of Third Party Administrator licenses and registration. To use this feature, go to www.ncdoi.com and click on "Industry" and then "Company Rate and Forms Filings Search."



St. Paul Pulls Out of Med Mal Market

In December, St. Paul Medical Liability Insurance Company informed the North Carolina Department of Insurance that it would cease to write medical malpractice business in the state. The company will renew policies expiring prior to April 10.

The Department was able to identify carriers willing to write new medical malpractice policies, although rates may be significantly higher for the provider. Thus far, the majority of physicians and hospitals have been able to secure replacement coverage under other carriers. NCDOI requests that physicians and hospitals let their respective associations know if they cannot locate insurers willing to issue them a policy or these providers can contact the Department directly at (919) 733-9811 for assistance under the Market Assistance Program.

As of July 2001, St. Paul covered 16.5 percent of the state's medical malpractice business. St. Paul is also discontinuing this line of business nationwide. The Minnesota based company was the nation's second largest writer of medical malpractice insurance behind Medical Liability Mutual Insurance Company.

Director of N.C. SAFE KIDS Resigns

Paul Jones, who served as Director of North Carolina SAFE KIDS

since its creation in 1995, resigned in January to take a job in Washington, D.C. Jones accepted the position of special assistant to the administrator of the National Highway Traffic Safety Administration, Dr. Jeff Runge. Jones' focus will be on national seat belt safety, and he will report directly to Dr. Runge, a former member of the N.C. SAFE KIDS Advisory Board.

While leading N.C. SAFE KIDS, Jones helped develop a network that focuses community resources on preventing unintentional injuries to children age 14 and under. Today that network numbers 48 coalitions covering 50 North Carolina

counties. N.C. SAFE KIDS is housed within the North Carolina Department of Insurance, where Insurance

Commissioner Jim Long serves as state chair.



Jim Long (left) presents plaque to Paul Jones on behalf of DOI and NC SAFE KIDS.

“Paul guided North Carolina SAFE KIDS since its creation in 1995. His enthusiasm for this program was

contagious when recruiting partners, allowing us to reach out and get our message to so much of the state,” Long said. “The coalitions formed under his leadership have laid a foundation that will continue to aid us in protecting North Carolina’s youngest citizens.”

Jones has an extensive background in injury prevention. He spent eight years as director of the Governor’s Highway Safety Program and helped develop North Carolina’s “Click It or Ticket” and “Booze It and Lose It” campaigns. He is also an active member of MADD (Mother’s Against Drunk Driving).

The passion Jones brings with him is sure to make a difference on the national level in his new position. He subscribes to the philosophy that the vast majority of unintentional injuries to children are

preventable when child car seats, bike helmets and other common sense interventions are utilized.

Opportunity for Holocaust Victims to File Claims

The International Commission on Holocaust Era Insurance Claims (ICHEIC) extended the deadline for filing Holocaust-era insurance claims to Sept. 30, 2002.

Victims of the Holocaust who were policyholders or beneficiaries of an unpaid insurance policy issued between 1920 and 1945 should file a claim; the same holds true for their heirs. As of Dec. 7, 2001, ICHEIC

received 20,116 U.S. claims, 65 of which are from North Carolina.

“I strongly encourage all North Carolina citizens who believe they are entitled to benefits from a Holocaust-era insurance policy to submit their claims now,” said Commissioner Jim Long. “These families have already endured countless hardships; this provides at least a minimal way to reclaim a minute part of their legacy.”

The original deadline was changed by ICHEIC to allow sufficient time for publishing additional names of policyholders on its Web site and give adequate time for the public to review the lists.

Claim forms may be obtained from the international commission by calling (800) 957-3203 in the United States or visiting ICHEIC on-line at www.icheic.org.

Senate Bill 318 – Session Law 2001-203: Insurance Producer Licensing

North Carolina legislators addressed an important insurance issue in last year's legislative session in response to the



well-known Gramm-Leach-Bliley Act (GLBA) on the Federal level. Senate Bill 318 (now Session Law 2001-203) is a blend of existing law and provisions from the National Association of Insurance Commissioners' (NAIC) Producer Licensing Model Act.

This Model Act was adopted by the NAIC to provide states with a uniform and reciprocal system for licensing insurance producers and was developed in direct response to GLBA requirements. GLBA was Congress's attempt at modernizing the financial services industry by eliminating the legal separations between the banking, insurance and securities industries.

Most of the existing agent and broker licensing provisions in existing producer licensing law are repealed and re-enacted in this act. This is a cleaner and more efficient way of combining the Model Act and North Carolina law to achieve the desired uniformity.

For the first time, North Carolina's insurance laws define what constitutes selling, soliciting or negotiating insurance. Until now there was only a court case that interpreted the word "solicit" in the context of insurance, and because the law did not define it the court used the dictionary meaning. Although this is proper procedure for the courts, the decision was not especially helpful for those in the industry.

There will be three new grounds for license sanctions and a modification of an existing ground. The three new grounds are:

- *Knowingly accepting brokered insurance business from an individual who is not licensed to broker that kind of insurance.*
- *Failing to comply with an administrative or court order imposing a child support obligation, after entry of a final judgment or order finding the violation to have been willful.*

- *Failing to pay state income tax or comply with any administrative or court order directing payment of state income tax, after entry of a final judgment or order finding the violation to have been willful.*

The modified ground is:

- *Having been convicted of a felony or a misdemeanor involving dishonesty or a breach of trust.*

Existing law refers to "a misdemeanor involving moral turpitude." This is a modification of existing law for consistency with federal insurance crime law.

Another change that comes with this law is the assignment of enforcement authority of any provisions to the insurance commissioner. The Commissioner also has the authority to impose any penalty or remedy authorized by the law against any person who is under investigation for or charged with a violation of the law, even if the person's license has been surrendered or has lapsed by operation of law.

The act also contains better provisions on terminations of agent appointments, temporary licensing, payments of commissions and for whom licensing is not a requirement. It also specifically allows producers to collect worthless check fees or any other fee authorized by law.

Finally, the act, as further amended by Section 2 of House Bill 13 (S.L. 2001-451), amends the surplus lines law to require countersignatures of policies written by nonresidents. The countersignature must be made by a resident licensee or a surplus lines regulatory support organization. Whoever countersigns the policy is also responsible for remitting the surplus lines premium tax to the Department of Insurance.

The licensing changes will become effective July 1. The rest of the act is already in effect.

Rate Bureau Must Justify Auto Rate Increase in Hearings

Commissioner Jim Long has called upon the North Carolina Rate Bureau (NCRB) to justify its request for an overall average increase of 5.9 percent to the state's private passenger auto rates. In the Notice of Public Hearing, the Department said the request "appears to produce rates that are excessive and unfairly discriminatory." Hearings are scheduled to begin July 15.

These deliberations follow on the heels of last year's rates that are still in dispute. After weeks of public hearings and several attempts to resolve 2001 auto rates, the NCDOI and the NCRB are heading to court for a final resolution. On Dec. 14, 2001, Long declared the Rate Bureau's request for a 10.6 percent increase inappropriate and called for a 13 percent reduction. On Feb. 12, the NCRB filed an appeal with the North Carolina Court of Appeals protesting Long's order to roll back rates.

"What we're seeing the insurance companies do in the way of providing sweeping deviations to their customers supports my stance that an increase was just not needed at this time," said Long.

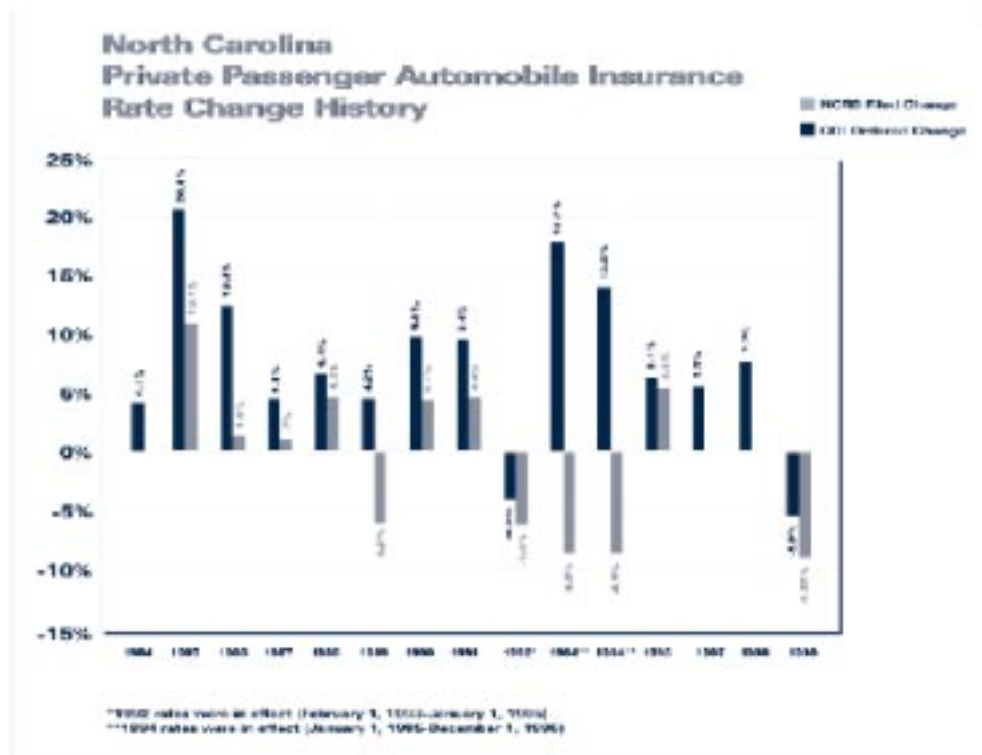
Long and the NCRB arrive at such different rate level recommendations due to disagreements in several areas including how to determine reasonable profit for the insurance industry. Long also disputes the way dividends and deviations (premium discounts offered

to some drivers) are treated by the industry as a business expense in its rate calculations. The Department has for some years insisted that dividends and deviations represent a distribution of profit and should be treated as such in setting auto rates. The North Carolina Supreme Court supported this methodology in 1999.

"The Rate Bureau is padding the deviations back into their request as if the money was actually collected. Dividends and deviations represent a distribution of profit and should be treated as such in setting auto insurance rates," Long said. "This is an issue I stand firm on, and I am confident the courts will agree with me once again."

While the decision is on appeal, the industry will implement a 5 percent increase. The difference between the implemented rate and Long's recommended 13 percent reduction must be escrowed pending the court's decision. If the courts find in Long's favor, the escrowed money plus interest will be refunded to policyholders.

NCDOI is in the final stages of assessing refunds that followed a settlement concerning the 1994 auto rate case. Initial refunds from auto insurers to consumers were more than \$327 million. Following audits by NCDOI of insurance companies, an additional \$1.3 million has already been returned to consumers.



Financial Evaluation Division Actions

PHICO Insurance Company (PA)	Order of Suspension due to Rehabilitation	08-20-01
Far West Insurance Company (NE)	Order of Suspension due to Liquidation	11-16-01
Pennsylvania Casualty Company (PA)	Order of Suspension due to Rehabilitation	12-04-01

Agent Services Division Regulatory Actions

Insurance Agents

Gregory D. Evans Pineville, N.C. Formerly of Life Insurance Co. of Southwest	Voluntary Surrender Life/Health, Med Supp/LTC	04/27/01
Glenn E. Currin Laurinburg, N.C. Formerly of Liberty Life Insurance Co.	Voluntary Surrender Life/Health, Property/Liability	08/24/01
Moran D. McCullough Fayetteville, N.C. Formerly of Monumental Life Insurance Co.	Voluntary Surrender Life/Health	11/08/01
Edward Smith Matthews, N.C. Western Surety Co.	\$500 Administrative Fine Property/Liability, Surplus Lines, Broker	12/14/01
Nancy Y. James Hamptonville, N.C. Formerly of State Farm Insurance Co.	Voluntary Surrender Life/Health, Property/Liability	01/11/02
William W. Beverage Burgaw, N.C. Southern Farm Bureau Insurance Co.	\$500 Administrative Fine Life/Health, Property/Liability, Med Supp/LTC, Broker	02/07/02

Collection Agencies

Hudson Keyse, Inc. Menton, OH	\$2,500 Administrative Fine Collection Agency	07/20/01
Absolute Collection Agency Raleigh, N.C.	\$1,000 Administrative Fine Collection Agency	08/15/01
Accounts Receivables Consultants, Inc. Charlotte, N.C.	\$300 Administrative Fine Collection Agency	08/19/01
National Recovery Corporation Chapel Hill, N.C.	\$300 Administrative Fine Collection Agency	10/15/01
Cumberland County Hospital System, Inc. Fayetteville, N.C.	\$300 Administrative Fine Collection Agency	10/19/01
Vengroff, Williams & Associates, Inc. Sarasota, FL	\$1,800 Administrative Fine Collection Agency	11/04/01

Surety Bondsmen

Shiree Davis Charlotte, N.C.	\$1,250 Administrative Fine Surety Bondsman	09/20/01
Roddy Roseman Charlotte, N.C.	\$750 Administrative Fine Surety Bondsman	09/20/01

Investigations Division Criminal Actions

Industry

Turrentine, Dewey Collins	Greensboro, N.C.	01/08/01
Former owner of Turrentine Insurance Agency. Pled guilty in Guilford County Superior Court to 14 counts of embezzlement by an insurance agent; 10 years suspended sentence; 60 months supervised probation; pay \$46,597.41 in restitution, costs and fees.		
Massey, William H.	Burlington, N.C.	03/12/01
Former owner of William Massey and Associates Insurance Agency. Pled guilty in U.S. District Court in Greensboro to four counts of making, possessing and uttering forged securities; one year active sentence in the custody of the Attorney General of the United States; pay \$1.2 million in restitution; two years supervised release.		
Farmer, Robert A.	Chattanooga, Tenn.	07-06-01
Former owner of Heritage Estate Services. Pled guilty in U.S. District Court in Chattanooga to one count mail fraud; 58 months active sentence in the custody of the Attorney General of the United States; three years supervised probation; pay \$693,685.88 in restitution and costs.		
Thacker, Talmadge	Raleigh, N.C.	08/01/01
Surety Bondsman. Ordered by court to pay \$2,200 restitution.		
Enoch, Andrea	Burlington, N.C.	08/01/01
Unlicensed Bail Bondsman. Convicted of three counts of unlicensed bail bond activity; 30 days suspended sentence; 18 months supervised probation; pay \$184 court costs.		
Williamson, Deborah	Burlington, N.C.	08/01/01
Professional Bail Bondsman. Convicted of two felony counts of obtaining money by false pretense; 45 days active sentence in the custody of the North Carolina Department of Corrections; eight to 10 months suspended sentence; five years supervised probation; pay \$17,250 restitution.		
Floyd, Davy Phillip	Raleigh, N.C.	11/01/01
Former agent for Allstate Insurance Company. Pled guilty in Wake County Superior Court to one count of misdemeanor embezzlement; pay \$53,227.26 in restitution and costs.		

Non-Industry

Raynor, Larry C.	Four Oaks, N.C.	04/17/01
Pled guilty in Mecklenburg County Superior Court to two counts of obtaining property by false pretense; six to eight months suspended sentence; 60 months supervised probation; perform 72 hours community service. Pay \$21,240 in restitution and fees.		
Lanier, Timothy Lewis	Beulaville, N.C.	06/07/01
Convicted of insurance fraud and making a false police report in Duplin County Superior Court; eight to 10 months suspended sentence; 48 months supervised probation; pay \$10,000 restitution.		
Baucom, Elizabeth	Matthews, N.C.	07/20/01
Pled guilty in Charlotte Mecklenburg District Court to one count of failure to pay group insurance premiums and one count of failure to give notice; six to eight months suspended sentence; 48 months supervised probation; perform 40 hours community service; pay \$18,000 restitution and costs.		
Dunn, Jessie	Supply, N.C.	07/31/01
Pled no contest in Brunswick County District Court to filing a false police report. Prayer for Judgement continued; pay \$2,767.69 restitution and costs.		
Pratt, James Anthony	Plymouth, N.C.	09/24/01
Pled guilty in Martin County Superior Court to two counts of insurance fraud and one count of obtaining property by false pretenses. Ten to 12 months active sentence in the custody of the North Carolina Department of Corrections; 12 to 4 months suspended sentence; 120 months supervised probation; perform 250 hours of community service; pay \$58,215 restitution and costs and fees.		
Tyndall, James R.	LaGrange, N.C.	12/03/01
Pled guilty in Lenoir County Superior Court to one count of insurance fraud; eight to 10 months suspended sentence; 36 months supervised probation; pay \$13,170 restitution, costs and fines.		

Shifts Abound in Public Services Group

Fall 2001 saw some consolidation of forces in the Department of Insurance's Public Services Group. To better serve industry clients and consumers alike, the Special Services Division was merged into two other divisions: Agent Services and Investigations. This move consolidates several areas of service, including licensing functions and investigations.

Special Services investigators will continue to handle investigative work associated with the collection agency, premium finance, motor club and bail bond industries. They now report to Deputy Commissioner William "Bill" Bradbury in the Investigations Division and can be reached at (919) 733-7434. (See Investigations Story, front page).

All other Special Services responsibilities were absorbed into Agent Services. This includes licensing matters for collection agencies, motor clubs, bail bondsmen and surety agents. Deputy Commissioner Shirley Jones leads the Agent Services Division which can be reached at (919) 733-1641.

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